



# Utah State Legislature

---

**Senate** • Utah State Capitol Complex • 320 State Capitol  
PO Box 145115 • Salt Lake City, Utah 84114-5115  
(801) 538-1035 • fax (801) 538-1414

**House of Representatives** • Utah State Capitol Complex • 350 State Capitol  
PO Box 145030 • Salt Lake City, Utah 84114-5030  
(801) 538-1029 • fax (801) 538-1908

December 12, 2017

President Wayne L. Niederhauser  
Speaker Gregory H. Hughes  
Utah State Legislature  
Salt Lake City, UT 84114

Dear President Niederhauser and Speaker Hughes:

The Retirement and Independent Entities Interim Committee (RIE) worked throughout the Interim and is prepared to account to you on those very thorough and productive discussions. You asked us to study and be prepared to report on the following topics:

1. Base Budgets
2. DHRM Internal Service Fund Operations and Rate Calculations
3. DHRM HRIS Rebuild (IT System)
4. Targeted Compensation
5. The Future of UtahFutures
6. UETN Long-term Planning for Equipment Replacement
7. PEHP STAR Plan Actuarial Values and Changes
8. PEHP Implementation of HCR 13

The following is our report on these items.

1. **Base Budgets:** The Committee discussed the functions and budgets of the following entities: Utah Housing Corporation, the School and Institutional Trust Land Administration, the School and Institutional Trust Fund Office, the Military Installation Development Authority, the Heber Valley Historic Railroad Authority, the Utah Communications Authority, the Utah Dairy Commission, the Utah Energy Infrastructure Authority, the Utah State Railroad Museum Authority, the Utah State Fair Corporation, the Utah Capital Investment Corporation, and the Utah Education and Telehealth Network.
2. **DHRM Internal Service Fund Operations and Rate Calculations:** The Committee discussed the nature and detail behind the setting of DHRM rates.  
Conclusion: DHRM proposed raising the rate by 8% for insurance and 2% for cost of living.
3. **DHRM HRIS Rebuild (IT System):** DHRM presented an update on the project.  
Conclusion: As of the Committee meeting, the goal is to go live in February 2018.
4. **Targeted Compensation:** This was not discussed and is believed to be non-applicable at this time.
5. **The Future of UtahFutures:** The Subcommittee considered whether the UtahFutures program should be funded, and if so whether it should be on a one-time or an ongoing basis.

Conclusion: The Committee requested that UtahFutures provide stronger performance measures and justify them during the session for further review and consideration.

6. UETN Long-term Planning for Equipment Replacement: UETN presented on their plans to deal with replacement of long-term equipment.

Conclusion: UETN plans to continue its 7-year equipment replacement cycle, which equates to approximately \$4 million ongoing. This funds approximately 20 new schools and operations annually.

7. PEHP STAR Plan Actuarial Values and Changes and PEHP Implementation of HCR 13: The Committee did not hear any presentation on the issue given that HCR 13 was implemented as passed. Senator Hemmert is also running a bill separately on this issue.

Though the committee did not take formal action on the issues considered during the interim, we feel our four interim meetings were very productive and provide a very positive foundation for the upcoming legislative session.

Sincerely,

Chairs of the Retirement and Independent Interim Committee.

---

Sen. Dan Hemmert, Co-Chair

---

Rep. LaVar Christensen, Co-Chair

---

Rep. Timothy D. Hawkes, Vice Chair